



COLORADO HOUSING

AFFORDABILITY PROJECT

www.cohousingaffordabilityproject.org

Outline

- About CHAP
- The Housing Affordability Crisis
- Responses to the Crisis

About CHAP

- Who We Are
 - A diverse group of **professionals and academics in urban planning, housing economics, public policy, law, and real estate development** who have witnessed land use regulations' impact on housing costs in Colorado, and who are **volunteering time and expertise** to address this crisis
- What We Do
 - Compile and disseminate relevant **research**
 - **Educate** community members, housing developers, urban planners, government officials, and others on the relationship between land use regulations and housing affordability
 - **Advocacy** for legislation to promote the preservation and development of affordable housing in Colorado and to encourage equitable access to opportunity across all racial, ethnic, social, and income groups




CHAP Founding Working Group

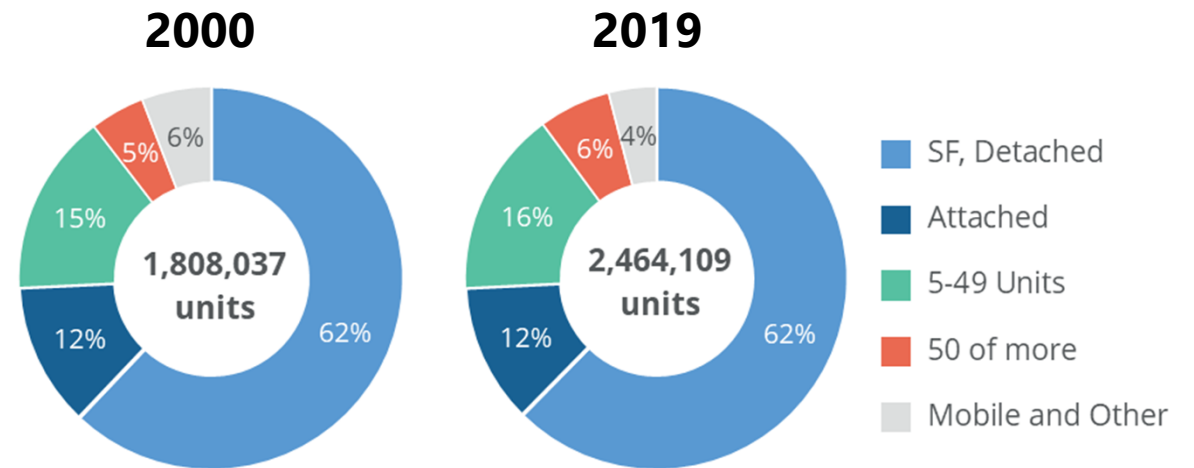
- **Heidi Aggeler**, *Managing Director and Co-Founder, Root Policy Research*
- **Erin F. Clark**, *Vice President of Master Site Development, Urban Land Conservancy*
- **Brian J. Connolly**, *Shareholder and Director, Otten Johnson Robinson Neff + Ragonetti, P.C.; Adjunct Professor of Law, University of Colorado Law School; Adjunct Professor of Law, University of Denver Sturm College of Law*
- **Susan D. Daggett**, *Executive Director, Rocky Mountain Land Use Institute, University of Denver Sturm College of Law*
- **Donald L. Elliott, FAICP**, *Director, Clarion Associates, LLC; Lecturer, University of Colorado Denver, College of Architecture and Planning*
- **Sean Maley**, *Partner & Chief Business Development Officer, CRL Associates, Inc.*

Colorado's Housing Affordability Crisis

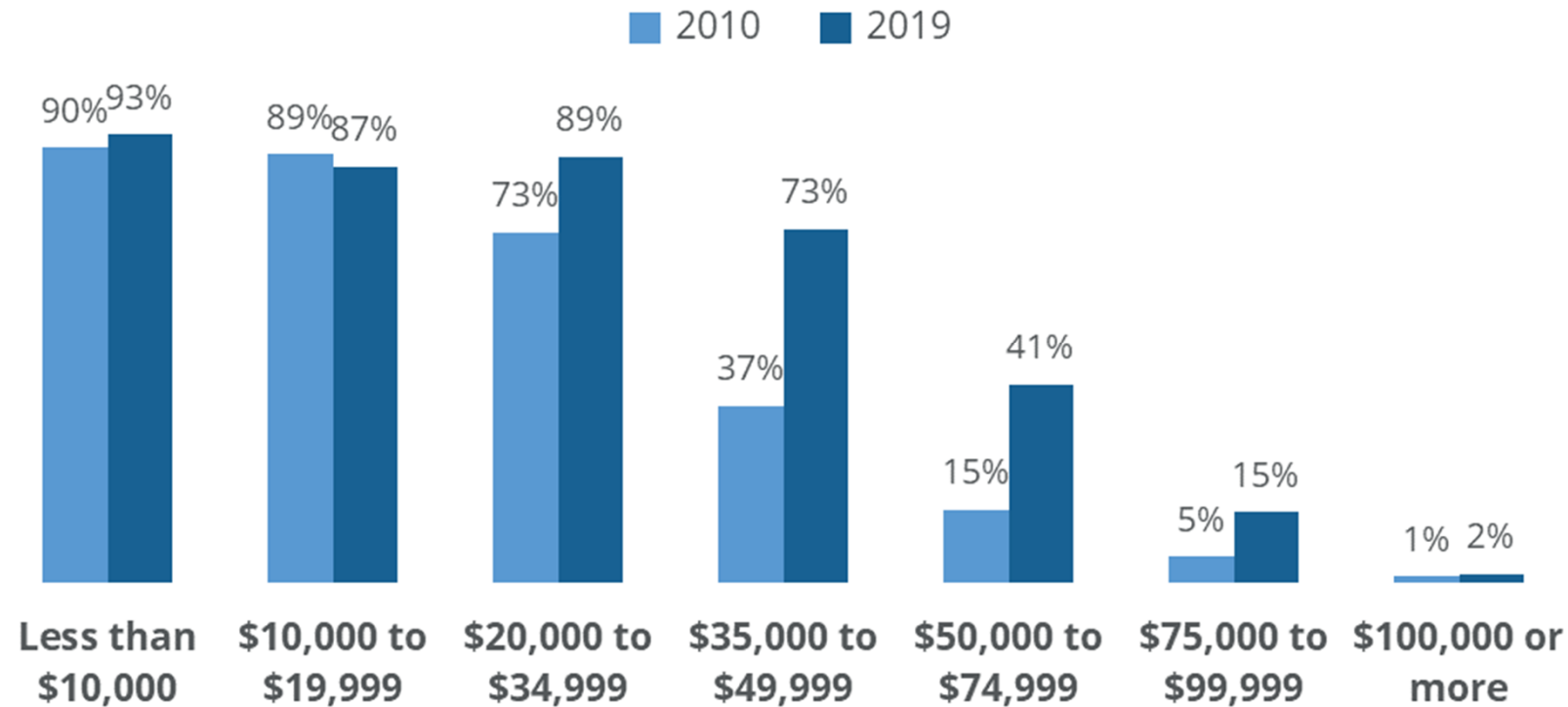
- Colorado ranks as the **third-least affordable state in the nation** when median income is compared to median home sales prices. (U.S. News)
 - 2019 survey: Several categories of **essential workers cannot afford to rent or own a median-priced home** in most of Colorado's metropolitan areas.
 - In cities throughout Colorado, **wage growth has lagged increases in housing prices.**
 - The crisis has **spilled over into rural areas and smaller communities**, which have less ability to absorb higher housing costs.
 - Employers **struggle to attract service industry workers** due to the lack of affordable housing, **young professionals cannot afford starter homes** in our metropolitan areas, and—at the extreme end of the affordability crisis—we see **increasing evidence of homelessness** in many of our communities.
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State of Colorado Housing and Needs

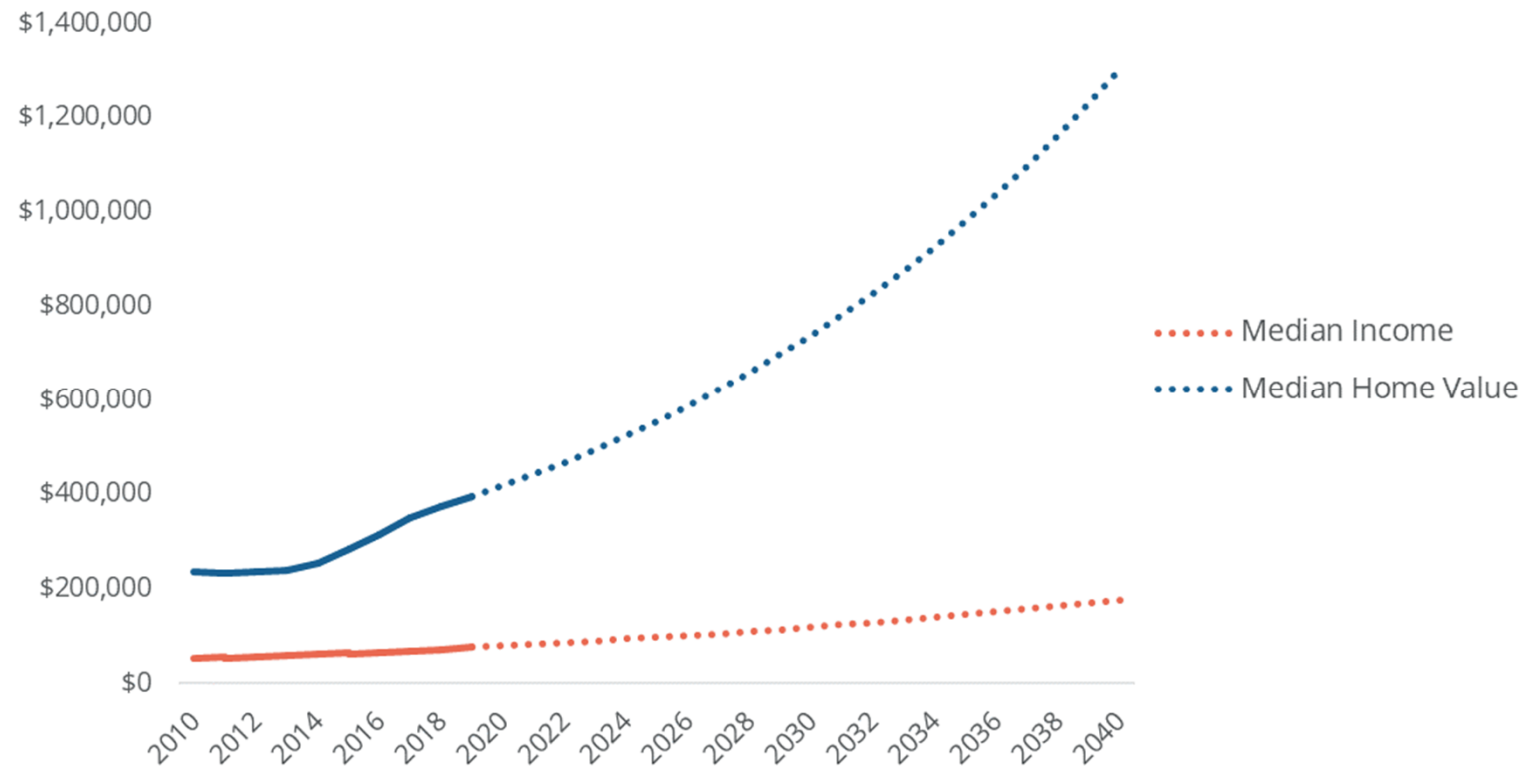
	2000	2019	% Change
Median Income	\$ 47,203	\$ 77,127	63% 
Median Gross Rent	\$ 671	\$ 1,369	104% 
Median Home Value	\$ 160,100	\$ 394,600	146% 



Cost Burdened Renters by Income



If Current Trends Continue



	Home Value to Income Ratio
2010	4.4
2015	4.4
2020	5.2
2025	5.7
2030	6.2
2035	6.8
2040	7.4

Consequences of Unaffordable Housing

- High housing costs distort labor markets and slow economic growth
- Distorted development hurts the environment
- Low-density development raises public infrastructure costs
- Lower-income families and racial and ethnic minority groups are deprived of access to opportunity

What Research Tells Us

- Land use regulations are a major driver of high housing costs
 - Low-density zoning regulations are strongly correlated to higher incomes
 - Older, wealthier homeowners predominate in lower-density areas—and engage politically to keep their neighborhoods that way
 - Home prices are driven up by lack of supply, household wealth
 - “Missing middle” housing is lacking in many metropolitan areas—particularly in Colorado
- 2016 National Association of Homebuilders study: regulatory costs (including delay, permit application fees, development standards, land and other dedications, etc.) incurred during the development phase accounted for 18.8% of the cost of a new home sold to an ultimate buyer
- 2018 study: regulatory costs accounted for 32% of the cost of multi-family development

Zoning Reform for Affordability

- Planning for housing
- Transit-oriented development
- Accessory dwelling units
- Missing middle housing
- Expedited approvals
- Fee and utility cost reductions
- Inclusionary housing

Planning for Housing

- Colorado law does not currently require local governments to analyze housing affordability or affordable housing needs.
- Developing and understanding data on housing demand is critical to ensuring that our communities are meeting demand and providing a supply of housing that is affordable to a variety of income levels.
- Several states now require local governments to address housing need in comprehensive planning (CA, OR, NJ, UT)
 - Generally include tracking and reporting requirements

Transit-Oriented Development

- Transit-oriented development (TOD) is the development of a mix of land uses around public transportation systems.
 - TOD reduces dependence on cars—which account for 90% of all transportation spending in the United States.
 - The average American spends 13% of his or her income on transportation, meaning that TOD saves households money and reduces the overall cost of living.
 - 2021 CT zoning law: eliminate or reduce parking requirements near transit stations
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Accessory Dwelling Units

- Housing units located on property that already contains a home.
- May be incorporated into the same building as the house on the property, or may be located over a garage or in a separate cottage.
- ADUs provide affordable housing while allowing the property owner to earn rental income, with little effect on traffic or neighborhood character.
- Some states allow ADUs on all single-family properties (NC, CT); CA bill expedites permitting process for ADUs

Missing Middle Housing

- Examples of missing middle: townhouses, rowhomes, duplexes, triplexes, small condos.
- Townhouses and row houses are often “starter homes” for young families or places where older communities choose to “downsize” to.
- Several states have introduced or passed laws allowing missing middle housing in current single-family areas (OR, WA, NC, UT)
 - Minneapolis and Seattle are clearest examples of cities that have taken similar action

Expedited Approvals

- Reducing permit processing timelines for more affordable forms of housing allows faster delivery of units to market and reduces ultimate cost passed on to buyers or renters.
 - Most commonly used as an incentive for projects that provide deed-restricted affordable units or “missing middle” housing
 - Austin, Texas “Affordability Unlocked” program offers expedited approvals for projects that meet certain affordability thresholds

Reduced Fees and Utility Costs

- Reducing impact fees, infrastructure obligations, or utility connection fees reduces overall project cost passed on to buyers and renters.
 - Common incentive tool for projects that provide affordable units or housing types.
 - Austin, Texas example applies here, too.

Inclusionary Housing

- Colorado law now allows local governments to require housing developers to provide affordable rental residential units, following passage of HB21-1117.
 - Inclusionary housing requirements require that a particular number of units in a given project be set aside as affordable.
 - Combined with incentives, such as density bonuses, these requirements are one important means of ensuring that affordable housing is available in a community.
 - Research on effectiveness is mixed
 - Planning is key: over-exacting affordable units from developers will only exacerbate existing supply constraints
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Addressing Displacement

- Displacement can be a consequence of new housing development or redevelopment
 - Displacement can also be a consequence of increased housing prices driven by a lack of new housing
- Increases in housing supply reduce displacement by driving development to neighborhoods with lower risk of displacement
- Responses to displacement need to be community-specific
 - Requires local governments to analyze displacement issues in connection with increases in housing supply
 - Local governments can choose where and how to allow additional density

How to Get Involved

- Share your ideas with us
- Sign up to be listed as a supporter on the website
- Host an informational session on our platform
- Identify other potential organizational partners and supporters of CHAP
- Share your data and research with us
- Advocate for housing affordability measures at the state and local levels

Contact Us

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